



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

April 11, 2012

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To: Supervisor Zev Yaroslavsky, Chairman
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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

This memorandum contains an update on the reconvening of the State Legislature; a pursuit of a County position on a State Budget item regarding the elimination of mandated Local Coastal Programs; a report on the Governor's FY 2012-13 Budget proposal to provide coordinated care for persons receiving both Medicaid and Medi-Cal; and updates on County-advocacy legislation related to the extension of the sunset date for Laura's Law and the Los Angeles River.

State Legislature Reconvenes

This week the Legislature reconvened from its 2012 Spring Recess. The policy committees are conducting hearings on various bills leading up to the April 27, 2012 deadline to hear and report out on fiscal bills. In addition, budget committees have resumed hearings on the Governor's FY 2012-13 Budget; however, the committees have held action on most budget items until after the release of the Governor's May Budget Revision.

Pursuit of County Position on a Budget Item

As previously reported, the Governor's FY 2012-13 Budget proposes a \$728.8 million reduction from the suspension, repeal, or making permissive State mandates to local governments except those related to law enforcement or property taxes. The State

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mandate trailer bill introduced by the Department of Finance includes language to eliminate a California Coastal Act requirement for local jurisdictions to have a certified Local Coastal Program (LCP).

Existing law defines a LCP to mean a local government's land use plans, zoning ordinances, zoning district maps, and within sensitive coastal resource areas, other implementing actions, which when taken together meet the requirements, goals and policies of the California Coastal Act at the local level. Prepared by local government, LCPs are basic planning tools used by cities and counties to guide development in coastal zones. LCPs specify appropriate location, type, and scale of new or changed uses of land and water, and each LCP includes a land use plan and measures to implement the plan. These programs govern decisions that determine the short- and long-term conservation and use of coastal resources.

Once a LCP is adopted by a city council or county board of supervisors, it is submitted to the Coastal Commission for review for consistency with Coastal Act requirements and certification. Following certification, the Coastal Commission's permitting authority is transferred to the local government and the city or county applies the requirements of the LCP in reviewing proposed new developments. Most Coastal Development Permits (CDPs) are issued by local governments according to procedures adopted as part of the certified LCP. The Coastal Commission retains permanent coastal permit jurisdiction over certain development in the coastal zone, including proposals on tidelands, submerged lands, and public trust lands. In addition, the Coastal Commission reviews and approves any amendments to previously certified LCPs.

The Department of Regional Planning (DRP) indicates that the County currently has certified LCPs for: 1) Marina Del Rey; and 2) Santa Catalina Island. DRP is the lead agency for preparing, proposing amendments to and the enforcement of the County's certified LCPs. DRP also issues CDPs for development in the unincorporated coastal areas of the County.

According to the Department of Regional Planning, the Governor's proposal would remove local jurisdictions' ability to amend LCPs and to enforce them through a restoration order. The proposal would retain the requirement that all development in the State-designated coastal zone first receive a CDP, which could only be issued by the Coastal Commission. However, it does not address what would be the status of, or what procedures might be used to amend or enforce CDPs issued by local jurisdictions prior to enactment of this proposal. Because local approvals could be ignored during the Coastal Commission's review, it is foreseeable that some projects would be allowed to proceed or be modified in a way that is contrary to the general plan of a local

jurisdiction and cities and counties would have limited recourse to challenge such a decision.

The Department of Beaches and Harbors (DBH) indicates that the Governor's proposal would eliminate the current process which provides for LCPs to reflect the unique characteristics of individual local coastal communities and for local jurisdictions to maintain planning authority within the coastal zone. In addition, DBH indicates that the Governor's proposal is unclear on what would be the status of the current certified LCPs.

Therefore, consistent with existing Board policy to oppose legislation that infringes upon county board of supervisors' local land use decision making authority, **the Sacramento advocates will oppose the Governor's Budget proposal to eliminate mandated Local Coastal Programs or similar proposals.**

Governor's Proposed Budget - Dual Eligibles Pilot Expansion

As reported in the January 10, 2012 Sacramento Update, the Governor's FY 2012-13 Budget proposed a series of initiatives to improve care coordination for persons receiving both Medi-Cal and Medicare including expanding the provisions of SB 208 (Chapter 714, Statutes of 2010), which authorizes pilot projects in four counties to integrate care for dual eligible persons beginning January 1, 2013. The Governor's Budget proposes to expand the number of pilot counties from four to ten. In the pilot counties, all In-Home Supportive Services (IHSS) consumers would be enrolled in a managed care plan.

On March 26, 2012, the Administration released draft trailer bill language providing specifics on the expansion of the dual eligibles pilot. On April 4, 2012, the State announced that Los Angeles, along with Orange, San Diego, and Contra Costa, is one of the four counties selected to participate in the SB 208 dual eligibles pilot project.

The Department of Public Social Services reports that, although the Governor's proposed expansion of the dual eligibles pilot from four to ten counties does not have a direct impact on the County, since Los Angeles has already been selected to be part of the pilot, the trailer bill language released by the Administration is of importance to the County, because it addresses the following key aspects of the pilot:

- 1) Counties shall continue to perform IHSS assessments and authorize hours;
- 2) IHSS consumers shall continue to select and direct the work of their providers;

- 3) The trailer bill language preserves the current structure and role of the county Public Authorities, but provides that the State may, at a future date, work with stakeholders to seek other alternatives; and
- 4) Counties shall continue to participate in the non-Federal share of IHSS provider wage and benefit costs through a newly-established County IHSS Maintenance of Effort (MOE). This MOE will be equal to the amount that would have been expended by the county in the absence of IHSS integration with managed care. The level of the county's MOE shall be determined by the Department of Finance in consultation with the California State Association of Counties, and adjusted annually based on statewide caseload growth. In addition, the MOE will be readjusted to include the county share of any increase in IHSS expenditures that is the result of factors other than an increase in caseload or authorized hours in a given county.

The Department of Public Social Services notes that the provision related to the MOE will protect the County against any increase in expenditures that would otherwise result if the pilot leads to an increase in the IHSS caseload and/or authorized hours; however, as proposed, the MOE would also prevent the County from realizing any savings if the pilot leads to a decrease in the IHSS caseload and/or authorized hours. Additionally, the MOE provision would exclude any increase in expenditures attributable to an increase in provider wages or benefits; therefore, the County would remain responsible for its current share of 35 percent of the non-Federal share of cost for any such increases. The Budget Committees have not taken action on the trailer bill language.

Status of County-Advocacy Legislation

County-support and amend AB 1569 (Allen), which as introduced on January 31, 2012, would extend the sunset date on Laura's Law to January 1, 2019, passed the Assembly Judiciary Committee by a vote of 10 to 0 on April 10, 2012. This measure now proceeds to the Assembly Appropriations Committee.

County-opposed SB 1201 (De León), which as amended on April 9, 2012, would establish the Los Angeles River Interagency Access Council and amend the Los Angeles County Flood Control Act, passed the Senate Natural Resources and Water Committee by a vote of 5 to 2 on April 10, 2012. This measure now proceeds to the Senate Judiciary Committee.

As previously reported, SB 1201 would amend the Flood Control Act to provide for increased public use of navigable waterways under the control of the Los Angeles County Flood Control District deemed suitable for recreational and educational

Each Supervisor
April 11, 2012
Page 5

purposes. SB 1201 also would create a State level entity, the Los Angeles River Interagency Access Council, consisting of a member of the Senate, a member of the Assembly, and a number of State and local entities that would be responsible for addressing public access to the Los Angeles River and designating areas of the river suitable for public use.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:sb

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
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